

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 17th JANUARY 2017**

Question

Given that the Minister for Social Security did not present a report by December 2016 in line with the Assembly's adoption on 20th January 2016 of paragraph (b) of 'Minimum Wage: revised hourly rate from 1st April 2016' (P.150/2015), what action will the Chief Minister take to ensure that an investigation into the impact on the tax and benefit system of a significant rise in the minimum wage and an assessment of the potential economic impact for Jersey of the U.K. Government's move to a national living wage take place this year?

Furthermore, what assessment has he made of the U.K.'s Low Pay Commission report on the rise of the national living wage to £7.20 in April 2016, published in November 2016; and given that the U.K. has seen little reduction in job numbers or shift and overtime rates, despite the warnings of employers, and

- 1.6 million over 25s on the minimum wage received a 10.8% annual rise;
- A quarter of over 25s (earning up to £9 an hour) received pay rises over the average; and
- Increasing numbers of under 25s were paid at least £7.20,

will he now commit his government to similar action and if not, why not?

Answer

The Minister for Social Security outlined in a response to a States question on 13th September, 2016¹ that the investigation required is underway, inclusive of work undertaken since the adoption of P.150/2015, including:

- Additions to the Statistics Unit's Business Tendency Survey in March 2016 to collect data on the views of business of the impact of a higher minimum wage;
- Work undertaken by the Employment Forum in reaching its 2016 recommendations about the impact in Jersey of the £7.20 UK rate, and views on increasing the minimum wage more significantly and more quickly in the future.
- Additional economic analysis, undertaken by Oxera and overseen by the Economics Unit, looking at the direct and indirect economic and fiscal impacts of a significantly higher minimum wage in Jersey.

The aim is to complete this work in time to support the Employment Forum in their minimum wage review this year (which would have been the same timeline if the investigation had of been finished slightly earlier in December) with the analysis presented to the States as soon as possible in advance. Of course, other people are welcome to make submissions to the Employment Forum, including States' Members.

As to committing to take action similar to the United Kingdom's decision, this is not achievable following the decision of the Assembly to reject a proposition last year that would have permitted the introduction of a higher minimum wage rate for older employees in Jersey (which is the method adopted by the United Kingdom in setting its premium rate for over 25s in April last year).

¹[www.statesassembly.gov.je/AssemblyQuestions/2016/\(9577\)%20Dep%20Mezec%20to%20SS%20re%20rise%20in%20minimum%20wage.pdf](http://www.statesassembly.gov.je/AssemblyQuestions/2016/(9577)%20Dep%20Mezec%20to%20SS%20re%20rise%20in%20minimum%20wage.pdf)

Nevertheless, we are committing to achieving greater increases in the minimum wage in the future, subject to economic conditions, and aiming to support our overall economic policies, which are focused on productivity growth within the context of limited migration.